

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 248 - HB 227

April 15, 2019

SUMMARY OF ORIGINAL BILL: Authorizes a copy of a court order, in lieu of a memorandum of the judgment of the court, to be entered beside a prevailing taxpayer's name in the tax books upon dismissal of an action after expiration of the statute of limitations.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (008300): Deletes all language after the enacting clause. Requires all time-share property, vacation club property, and membership camping property to be assessed as residential property instead of industrial and commercial property.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease Local Revenue – Exceeds \$500,000

Assumptions for the bill as amended:

- Based on information provided by the Comptroller of the Treasury, the total number of time-share properties, vacation club properties, and membership camping properties statewide and how such properties are assessed by each locality is unknown.
- Pursuant to Tenn. Code Ann. § 67-5-801, real property classified as residential property is assessed at a rate of 25 percent of its value. Industrial and commercial property is assessed at 40 percent of its value.
- According to Davidson County, there are currently five parcels within the County which are classified as time-share or vacation club properties and assessed as industrial and commercial.
- Assessed as industrial and commercial property, such properties would owe \$616,778 in property taxes within Davidson County. If assessed as residential property, such properties would owe \$385,486; thus a recurring decrease of local revenue to Davidson County estimated to be \$231,292 (\$616,778 - \$385,486).
- While a precise mandatory decrease in local government property tax revenue statewide cannot be determined, it is reasonably estimated to exceed \$500,000 per year.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

/jdb